

# **House of Representatives**

# File No. 586

## General Assembly

February Session, 2022

(Reprint of File No. 104)

Substitute House Bill No. 5205 As Amended by House Amendment Schedule "A"

Approved by the Legislative Commissioner April 22, 2022

### AN ACT CONCERNING FAIR RENT COMMISSIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- Section 1. Section 7-148b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2022*):
- 3 (a) For purposes of this section and sections 7-148c to 7-148f,
- 4 inclusive, "seasonal basis" means housing accommodations rented for a
- 5 period or periods aggregating not more than one hundred twenty days
- 6 in any one calendar year and "rental charge" includes any fee or charge
- 7 in addition to rent that is imposed or sought to be imposed upon a
- 8 tenant by a landlord.
- 9 (b) [Except as provided in subsection (c) of this section, any] Any
- 10 town, city or borough may, and any town, city or borough with a
- 11 population of twenty-five thousand or more, as determined by the most
- 12 <u>recent decennial census, shall,</u> through its legislative body, [create]
- 13 <u>adopt an ordinance that creates</u> a fair rent commission. [to] <u>Any such</u>

14 commission shall make studies and investigations, conduct hearings 15 and receive complaints relative to rental charges on housing 16 accommodations, except those accommodations rented on a seasonal 17 basis, within its jurisdiction, which term shall include mobile 18 manufactured homes and mobile manufactured home park lots, in 19 order to control and eliminate excessive rental charges on such 20 accommodations, and to carry out the provisions of sections 7-148b to 21 7-148f, inclusive, section 47a-20 and subsection (b) of section 47a-23c. 22 The commission, for such purposes, may compel the attendance of 23 persons at hearings, issue subpoenas and administer oaths, issue orders 24 and continue, review, amend, terminate or suspend any of its orders and 25 decisions. The commission may be empowered to retain legal counsel 26 to advise it.

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- (c) Any town, city or borough [in which the number of renteroccupied dwelling units is greater than five thousand, as determined by the most recent decennial census, and which does not have a fair rent commission on October 1, 1989, shall, on or before June 1, 1990, conduct a public hearing or public hearings and decide by majority vote of its legislative body whether to create a fair rent commission as provided in subsection (a) of this section. Any such town, city or borough which fails to act pursuant to the requirements of this subsection shall, not later than June 1, 1991, create such fair rent commission] required to create a fair rent commission pursuant to subsection (b) of this section shall adopt an ordinance creating such commission on or before July 1, 2023. Not later than thirty days after the adoption of such ordinance, the chief executive officer of such town, city or borough shall (1) notify the Commissioner of Housing that such commission has been created, and (2) transmit a copy of the ordinance adopted by the town, city or borough to the commissioner.
- (d) Any two or more towns, cities or boroughs not subject to the requirements of subsection [(c)] (b) of this section may, through their legislative bodies, create a joint fair rent commission.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2022	7-148b

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

State Impact: None

### Municipal Impact:

Municipalities	Effect	FY 23 \$	FY 24 \$
Various Municipalities	STATE	Potential	Potential
_	MANDATE1		
	- Potential		
	Cost		

### **Explanation**

The bill requires all municipalities with a population of over 25,000 to establish fair rent commissions. The bill also specifies that these commissions must conduct studies and investigations, and hold hearings.

A municipality that does not have the resources to conduct housing studies or investigations may incur staff or consulting costs to complete those responsibilities. Additionally, municipalities that hold public hearings on housing issues may incur costs related to police overtime to provide security at such hearings.

House "A" requires municipalities to adopt ordinances creating fair rent commissions by July 1, 2023, if they are required by the bill to create fair rent commissions. This has no fiscal impact, as it does not change the number of municipalities required to adopt such commissions, nor

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<sup>&</sup>lt;sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

does it change the cost of administering such commissions.

### The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

sHB5205 / File No. 586 5

# OLR Bill Analysis sHB 5205 (as amended by House "A")\*

### AN ACT CONCERNING FAIR RENT COMMISSIONS.

### **SUMMARY**

This bill requires all municipalities with a population of 25,000 or more to adopt an ordinance creating a fair rent commission (see BACKGROUND). They must do so through their legislative bodies by July 1, 2023. It also requires the chief executive officers of these municipalities, within 30 days after an ordinance is adopted, to (1) notify the Department of Housing (DOH) commissioner and (2) give her a copy of the ordinance. Under the bill, municipalities' populations are determined by the U.S. Census Bureau's most recent decennial census (i.e., 2020).

The bill allows two or more municipalities, each with populations under 25,000, to create joint fair rent commissions through their legislative bodies.

It also eliminates an obsolete provision that required certain municipalities to hold a public hearing on or before June 1, 1990, and decide by a majority vote of the municipal legislative body whether to create a fair rent commission. This provision applied to municipalities that had more than 5,000 renter-occupied dwelling units based on the 1980 decennial census but did not have a fair rent commission on October 1, 1989. Those municipalities that failed to do so were required to create a fair rent commission by June 1, 1991.

\*House Amendment "A" (1) establishes a deadline by which certain municipalities must create a fair rent commission and specifies that this must be done by ordinance and (2) requires them to notify DOH when

they become compliant and provide the commissioner with a copy of the ordinance.

EFFECTIVE DATE: October 1, 2022

### **BACKGROUND**

### Fair Rent Commissions

Current law allows the legislative body of any town, city, or borough (or certain combinations thereof) to create a fair rent commission in order to (1) control and eliminate excessive rental charges and (2) carry out certain landlord-tenant statutes. Specifically, commissions have the power to:

- 1. conduct studies or investigations;
- 2. hold hearings;
- 3. receive rent complaints;
- 4. require people to appear at hearings;
- 5. issue subpoenas and administer oaths; and
- 6. issue, continue, review, amend, terminate, or suspend their orders and decisions.

### **COMMITTEE ACTION**

**Housing Committee** 

Joint Favorable Substitute
Yea 11 Nay 4 (03/10/2022)